

7 June 1954

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : Survey of the Office of Research and Reports

The attached survey sets forth conclusions, recommendations, and supporting data for your consideration on the Office of Research and Reports.

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Inspector General

Attachment  
ORR Survey

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I. CONCLUSIONS

1. The production program of the Office of Research and Reports is generally based on the needs of consumers. The quality of reports and studies, however, is by no means uniform. Agency consumers generally are satisfied with the written and verbal support received from the Geographic and Coordination Areas, but too often find reports and studies from the Economic and Research Area inadequate; they are apt to be verbose, overly technical, and poorly organized for intelligence use.
2. The over-all organizational structure of ORR is satisfactory, but seems large in terms of personnel in relation to the activities of the Office.
3. The demands on the time of the AD/ORR for attendance at meetings and conferences of the IAC, EIC and in the Agency suggest that he needs a substantively qualified person as deputy to assist in the day-to-day supervision and production of the Office.
4. - The quality of supervision and administration is not uniform in the three areas, morale being adversely affected especially in the Economic Research Area where instructions and orders are too often not properly communicated to the lower echelons of that component.
5. Economic reports in support of the Office of Current Intelligence are inadequate, they lack timeliness, and do not fulfill stated requirements.
6. There is ample evidence in the Economic Research Area of confusion as to where responsibilities lie in the production of trade analyses. Although steps recently have been taken to correct this, it is not yet possible to evaluate their effectiveness.
7. While ORR has availed itself of numerous training programs and has initiated several courses to meet its own needs, there is evidence that much more can be done to improve the writing ability, intelligence knowledge, and research techniques of its analysts.
8. The procurement program of the Geographic Area has been adversely affected because of the elimination of certain State Department Geographic Attache posts.

## II. RECOMMENDATIONS

1. That as of 1 November 1954, the Deputy Director (Intelligence) review OERI production on the basis of Agency and IAC consumer reaction and determine whether the volume and quality of production meets the needs and demands of the users.
2. That the Deputy Director (Intelligence) determine whether the size of the Office is justified in terms of the over-all activity of the Office.
3. That the AD/RI give consideration to the appointment of a Deputy.
4. That the AD/RI carefully review the executive and supervisory ability of the Chief and Deputy Chief of the Economic Research Area.
5. That the AD/RI take steps which will ensure that current intelligence from all components of OERI is made speedily available to the Office of Current Intelligence, and that specific requirements are promptly met.
6. That appropriate action be taken by the AD/RI to ensure elimination of confusion in the Office regarding the responsibilities and performance of the various components for production in the field of trade analysis and research.
7. That the Area and Division Chiefs make more effective use of carefully tailored training, either provided or supervised by the Office of Training, to improve research, writing, and organization of reports and studies.
8. That the Deputy Director (Intelligence) make appropriate representations to the State Department with a view to restoring the Geographic Attache posts which have been eliminated.
9. That appropriate action be taken on the specific recommendations made in the Discussion section of this report regarding Divisions and Staffs.

### III. DISCUSSION

#### A. ORR General

##### 1. Mission and Functions

The Mission and Functions of the Office of Research and Reports are stated in Regulation No. 1-130, dated 20 March 1953, a copy of which is attached as Enclosure No. 1.

##### 2. Organization

Enclosure No. 2 shows the present organizational structure of ORR; Enclosure No. 3 shows what it was prior to recent changes. The Office is made up of three major components: the Economic, Coordination, and Geographic Areas. The present organization is the result of a series of changes effected mostly between July and November 1953. The objectives of these changes were to improve the coordination of all-source economic research through a more effective amalgamation of the economic units of the Office; to provide adequate Staff support for the Chief of the Economic Area; to separate staff responsibilities from line command Divisions; to increase emphasis on coordinated regional studies; and to align responsibilities so as generally to parallel the economic Ministries of the USSR. As a consequence of the changes, many units of ORR have been in operation less than six months.

Three Staffs serve the Assistant Director: Administrative, Intelligence Information, and Projects Control. These Staffs also assist the Chiefs of the three Areas as appropriate. The Assistant Director has no Deputy but is assisted by an Executive Officer and a Special Assistant who coordinates external research requirements, substantive instructions to personnel abroad, and relations with foreign intelligence representatives. In addition, he coordinates the conduct of training, making use both of courses offered by the Office of Training and of courses initiated in ORR to meet specialized needs in language, economics and geography. Enclosure No. 4 describes the functions of the Staffs.

##### 3. Budget

25X1A1a

The FY 1954 budget of ORR is [REDACTED]. This is 33 percent of the DD/I budget and 4.1 percent of CIA's budget. The distribution of funds among the three major components of the Office is the following: Economic Area - [REDACTED]; Coordination Area - [REDACTED] and Geographic Area - [REDACTED]. Enclosure No. 5 provides a more detailed statement of the allocation of funds.

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\*Of this figure, [REDACTED] is for extra-Agency contractual services in connection with NIS.

#### 4. Personnel

As of 10 April 1954 the on-duty strength of the Office was 825 compared with 774 as of the same date in 1953. Enclosure No. 6 provides general personnel data. ORR on-duty personnel constitute about 25 percent of all DD/I personnel.

#### 5. Production

The following table summarizes the types and volume of ORR's 1953 production:

##### ORR Production: 1953

#### Economic Area

Economic Intelligence Reports.....	9
Provisional Reports.....	23
Intelligence Memoranda.....	12
Working Papers.....	38
Research Aids.....	1
Divisional Working Papers.....	7
Internal Projects:	
for ONE.....	9
for other CIA.....	23
Miscellaneous projects.....	6

#### Coordination Area

Economic Intelligence Committee:	
Reports.....	14
Working Papers.....	1
Surveys.....	8
Economic Defense Division:	
Working Papers.....	63
Miscellaneous Projects.....	1
Basic Intelligence Division:	
Sections of NIS.....	557

#### Geographic Area

Geography Division:	
Geographic Intelligence Reports.....	30
Map Intelligence Reviews.....	7
Memoranda for internal requests.....	5
Memoranda for external requests.....	5
Cartography Division (maps).....	186*
Photo-Intelligence Division (misc. papers).....	14**

\*Last half of 1953 only

\*\*Division organized mid-1953

## B. Economic Area

### 1. General

The Economic Area is the core of the Office of Research and Reports. Its mission is to produce economic intelligence on the Communist Bloc and to furnish, upon request, economic data on non-Bloc areas obtainable from other agencies. A formal statement of the Area's mission and functions is attached as Enclosure No. 7.

To carry out its mission the area is organized into five Divisions, totaling 27 Branches. The Area is served by three Staffs. There are [REDACTED] (clerical) employed in the Area. In addition to employees, 46 consultants at a total compensation cost of [REDACTED] were used by the Economic Area during the first ten months of FY 1954 (see Enclosure No. 8). The cost of the Area (the FY 1954 budget) is [REDACTED], which is 38 percent of ORR's budget, 12.6 percent of the DD/I budget, and 1.5 percent of CIA's budget.

As to the quality of its production, the principal critical consumer reaction within CIA was that facts are not synthesized and their intelligence significance presented in proper perspective. Too often reports are diluted by the inclusion of unnecessary and elementary material. Also, dissatisfaction is expressed with the speed with which requirements are met and the flexibility demonstrated in meeting specific or spot requirements. While this survey did not include a canvass of consumer reaction outside CIA, material on file in ORR recording extra-Agency views shows that, in varying degrees, some such consumers agree with the principal intra-CIA criticism.

The personnel of the area have apparently not yet settled down from the reorganization which began in mid-1953. Problems created by these changes have not been corrected with firmness and dispatch. Lines of command have not been satisfactorily clarified and too many responsible professional people assert that they are confused by the issuance of orders by various levels of command. Supervisory guidance of a high professional level is lacking.

The survey also reveals that work is too rigidly compartmentalized; people have the feeling they are working in a vacuum and are not permitted to share in the critical appraisal of an entire work project. They are made to feel they are not on the team.

The promotional policy of the office came in for considerable criticism. Too many changes and delays occur without adequate explanation.

Practices in connection with the rotation of personnel overseas have been unsatisfactory in that slots have not been ready for employees returning from such assignments, giving the impression that they are no longer needed or that temporary or inconsequential jobs are being created for them. This lack of career planning has provoked a reluctance on the part of many competent individuals to leave their present positions for overseas assignments.

All of these administrative deficiencies have lead to the lowering of morale and to a lack of confidence in the quality of leadership demonstrated by those in command of the Economic Research Area.

## 2. Discussion

### a. The Staffs

The three staffs serving the Economic Area are: Planning and Review, Support, and Publications. They have a combined total T/O of 50. Prior to reorganization there was only one staff, the Advisory Staff, with a T/O of four. The Office of the Chief of the Area has been increased from four to six. The total personnel now engaged in staff work in support of the Chief of the Area has been increased by nearly 60 percent.

Planning and Review is concerned with initiating projects and assuring a unified approach in the Area's production. The Staff is really an amalgamation of three staff groups: Current Support, Estimates, and General Support. The first maintains liaison with O/CI; the second maintains the Economic Estimates File, certain other handbooks and economic data compilations, and reviews reports for statistical consistency; while the third is the planning and review section. The personnel of the first two groups assists in discharging the responsibility of the third--so much so that the other work of the Estimates group amounts to little more than a holding operation.

The work of the Support Staff is twofold: (1) the conduct of relations with the National Security Agency (NSA) and (2) the discovery and development of collateral sources of economic intelligence, the first being the principal activity. All requirements leveled on NSA are also handled through this area staff. In its secondary function of discovering and developing collateral sources of information the Support Staff coordinates its activity with the office-wide Intelligence Information Staff which assists the various components of the office in properly exploiting such information. There is, in consequence, some duplication between the two staffs. There is presently an effort being made in ORR to clarify these functions.

The Publications Staff prepares the Area's reports for publication. This preparation involves both editing in the narrow sense and review of substance.

Several problems affecting the Staffs need to be resolved. The separate activities of the Planning and Review Staff raise the question of whether it properly should be one staff. The review function appears to be duplicated in Publications. There is the further question of whether the Planning and Review Staff should continue to maintain the Estimates File. This question is presently under consideration. The principal problem of the Support Staff is getting some Branch Chiefs to avail themselves of its services. Also there



is the question of whether it should engage in its secondary activity (i.e., development of collateral sources). Although the assigned mission of Publications Staff does not include the review function, it cannot discharge its responsibilities properly without engaging in this work.

Recommendations:

1. That Publications Staff be changed to Publications and Review, taking over the review function from Planning and Review.
2. That Planning and Review Staff be changed to Planning and Coordination, continuing its present functions less that of review.
3. That the Support Staff limit its activities to conducting relations with NSA and reduce its personnel proportionately.
4. That the work of the Area Staffs be evaluated as of 1 November 1954 to determine (a) whether the structural organization is satisfactory and (b) whether the work done justifies the number of persons so engaged.

b. The Divisions

1. Analysis Division

This Division plays a dominant role in the Economic Area as its basic mission is to prepare material to satisfy requirements levied on OER by its consumers, principally OER, OCI, the EIC and the Armed Forces. Following the reorganization the Division's T/O jumped from 25 to 53, the additional personnel having come from the dissolved Strategic Division. No change in the Division's mission accompanied the increase in personnel. The Division's budget for FY 1954 is [REDACTED]. 25X1A1a

In carrying out its mission the Division follows two courses of action: (a) it spends about 40 percent of its time in drawing together data produced in other Divisions, making such contribution as may be required, and (b) about 60 percent of its time in doing original research, producing reports in satisfaction of requirements. Illustrating (a) above, such reports as the following are produced: the OER contribution to "Soviet Capabilities and Probable Soviet Courses of Action through Mid-1956," NIE 12-54. Examples of (b) above are: "Construction of Soviet Gross National Product Accounts for 1950-1955" and "Reliability of Soviet Commodity Statistics."

The Division's work is done partly on a functional and partly on a regional basis as indicated by the Branches: Capabilities, Military Economics, USSR, European Satellites, and Far Eastern. All the Branches are new since the reorganization except Capabilities. Military Economics performs the function of translating military needs into economic quantities, this to be used in

determining Bloc capabilities. The establishment of the Branch was prompted by the feeling of the Joint Intelligence Committee that this function was not being adequately performed elsewhere, either inside or outside the Agency. Since the functions of the Capabilities and Military Economic branches engage in work so closely related it may be more practical and economical to merge the functions.

During 1953 the Division completed or made contributions to 26 major projects (see Enclosure No. 9). As a general observation, the volume has not been high and CIA consumers have found the quality varied. All of the Division's work is not in writing. It has made valuable oral contributions to the Board of National Estimates of ONE and has conducted briefings at the request of Agency offices and various components of the IAC.

#### Recommendations:

1. That the Military Economics Branch be abolished and its functions merged as a Section under the Capabilities Branch.
2. That, as of 1 November 1954, the work of the Division be evaluated in the light of consumer reaction.

#### ii. Industrial Division

The Division is charged with producing economic intelligence on the metal-working industries (engineering) of the Soviet Bloc. The personnel strength is [redacted] professional and [redacted] clerical). The Division's budget for FY 1954 is [redacted]. 25X1A1a

The production of the Division during 1953 was not heavy (see Enclosure No. 10). The handling of the Division's work is indicated by the Branches: Weapons and Ammunition, Aircraft, Shipbuilding, Transport and Heavy Machinery, Electrical Equipment, and Medium Machinery. During the course of the survey two Branches were dissolved: Special Industry and Industrial Projects. The first was concerned with the nuclear energy industries, the basic difficulty was a lack of definition of responsibilities between O/RB and O/SI. This problem now has been resolved with full responsibility in OSI. Industrial Projects had the mission of producing multiple industry economic intelligence studies on the Soviet Bloc. Its functions were roughly half substantive and half staff, and have been absorbed into those of the other Branches.

The work of the Shipbuilding and of the Weapons and Ammunition Branches closely parallels some of the work and production of the Armed Services but does not duplicate it. The vital concern of the Division is to do research focused on economic matters of common concern. The work of the Aircraft Branch, however, does largely duplicate that done by the Air Force.

Recommendations:

1. That the work of the Aircraft Branch be reviewed to determine whether it so duplicates that of Air Force as to justify dissolution. If it is found that an effective role can be played by an Aircraft Branch in CIA, its mission and functions should be rewritten to ensure proper performance.

iii. Materials Division

The Division is responsible for the production of economic intelligence regarding strategic raw materials and certain semi and finished commodities related thereto in the Soviet Bloc. The personnel strength is [REDACTED] professionals and [REDACTED] clerical). The FY 1954 budget is [REDACTED]. 25X1A1a

25X1A1a

The Division has eight Branches: Non-Ferrous Metals and Minerals, Ferrous Metals, Petroleum, Electric Power (from the Services Division in November 1953), Consumer Industries, Agriculture, Chemicals and Solid Fuels.

The Consumer Industries Branch is new. It is concerned with the manufacture, distribution and consumption of food and consumer industry products of the Soviet Bloc, including fish and fish products, textiles, appliances and utensils. Further, it is concerned with the policy governing availability of consumer goods within the Bloc. The Branch has a T/O of six professionals and one clerk. Its functions overlap those of the Agriculture Branch which is concerned with the production, distribution, and consumption of farm and forest products and with the agricultural and food policies of the Bloc. Agriculture Branch has 18 professionals and two clerks. A joint--or divided--responsibility has been established between the two Branches regarding certain items, e.g., vegetable oils, grain mill products, certain aspects of food in general, cordage and sacking, furniture, etc.

The Division's production is described in Enclosure No. 11. Analysts in the Materials Division asserted that much confusion existed in the Economic Area on responsibilities for trade analysis and production pertaining thereto. The lack of clarity on this subject was appreciated by the Area Chief but nothing was done to correct it until he issued a memorandum dated 10 May 1954 (see Enclosure No. 12). The compartmentalization of trade responsibilities reflected in the memorandum of explanation must be proved in practice.

Recommendation:

That the mission and functions of the Agriculture and the Consumer Industries Branches be reviewed to determine whether they should be amalgamated. If they are not amalgamated, then the stated missions and functions, as well as the assigned duties, should be more clearly defined and the personnel of Consumer Industries Branch increased.

#### iv. Services Division

The work of the Services Division includes the managerial mechanisms of the economic ministries; transportation, domestic international trade; establishments, human resources and organizations; communications; and construction of fixed installations and construction materials. The personnel strength is [REDACTED] professional and [REDACTED] clerical). The FY 1954 budget is [REDACTED] 25X1A1a

The Division was affected by the reorganization of ORR only by the addition of 34 persons from the dissolved Strategic Division, and by the transfer to the Materials Division of the Electric Power Branch.

The work of the Division is done through six Branches: Communications, Trade, Construction, Transportation, Organization, and Population and Manpower. In addition to its principal responsibilities of analyzing the governmental organization of the Bloc countries and reporting on Bloc management techniques, there have been assigned to the Organizations Branch those responsibilities not logically falling to the other Branches. One such subject for which this Branch is responsible is civil defense, this assignment apparently having been by default rather than by logic and little has been done in discharging this responsibility.

The Trade Branch, formerly known as the Trade and Finance Branch, has had five Chiefs in two years.

The work of the Division is divided about as follows: roughly, half to research, a third to office routine and support, and the balance being accounted for by training, leave, and administration. Briefly, the Division worked on a total of 115 projects, of varying degrees of import and complexity, during fiscal year 1953. Of this number 43 were completed, two were cancelled, and 70 were still in process of completion at the expiration of the year. Nine of the completed 43 were in support of National Intelligence Estimates.

#### Recommendation:

That the assignment of responsibility for reporting on Bloc civil defense be reviewed at the Office level.

#### v. Techniques and Methods Division

The Division is responsible for the production of economic intelligence from Soviet Bloc factory markings and for the collection and centralizing of factory markings intelligence in the United States Government. The personnel strength is [REDACTED] professional and eight clerical). The FY 1954 budget is [REDACTED] 25X1A1a

The Division, in effect, is a self-contained intelligence operation, having responsibility for (1) domestic and foreign collection; (2) domestic and foreign liaison with other intelligence services; (3) analysis and collation; (4) preparation of reports, both in the name of the Agency and in joint sponsorship with the military services; (5) dissemination and maintenance of a centralized depository; and (6) evaluation and review of intelligence reports received from U.S. and other Government agencies. The Division has two branches: Analysis and Reports, and Research and Control. The first both guides collection and exploitation of markings data and analyzes and reports on these data. The second monitors the technical aspects of acquiring material and is responsible for maintaining master and specialized files.

In addition to the personnel in Headquarters, the Division has the services of three representatives in [REDACTED] and four in [REDACTED] 25X1A6a  
25X1A6a These seven, however, are carried on the field T/O of and paid for by DD/P. Those in [REDACTED] work with [REDACTED] and those in [REDACTED] with the U.S. military establishment there. Also, in addition to the Division's 25X1C8a  
25X1A6a personnel, there is a 12-man unit from G-2 physically located and working with Techniques and Methods in a [REDACTED] 25X1B4d  
25X1B4d The Division Chief is the CIA representative on the Identification Working Group, which is composed of representatives of all IAC agencies working on [REDACTED] 25X1C8c  
25X1C8c This group is responsible to the Joint Technical Intelligence [REDACTED] of the JCS.

The Division's production is low. During 1953 one provisional report "The Soviet Medium Tank Industry, 1944-46: An analysis based on [REDACTED]" and one working paper "Analysis of the [REDACTED] on the Soviet 122 mm Howitzer, Model 1938" were published. Also the Division participated with G-2 in the publication of two reports: [REDACTED] and [REDACTED]

A special characteristic of the Division is the exceptional role played by two consultants: [REDACTED] and [REDACTED] 25X1A5a1  
25X1A5a1 his wife, [REDACTED], who have served the Agency since 10 March 1951. [REDACTED], assisted by his wife, took part in the establishment of the Division and is still actively participating in its operation to a degree which gives them an influence on the Division's work that seems to be at least equal to that of the assigned Chief. During the period 20 June 1953 - 8 May 1954 (the equivalent of 46 working weeks) [REDACTED] were on duty for 151 days (the equivalent of 30 working weeks) each, their combined compensation being [REDACTED], which is over 27 percent of the total combined amount paid all other 46 consultants used by the whole of ORR during that period.

#### Recommendations:

1. That the Assistant Director for Research and Reports survey the present level of operations of Techniques and Methods Division and determine:

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a. The value of its reports as a contribution to economic intelligence on the Soviet Bloc;

b. Whether to reduce its operations, budget, and personnel allocation to that limit considered necessary to retain "in being" a trained cadre, which, in event of hostilities, can be the nucleus for expansion based on increased availability of source material; and at such a level to discharge current commitments to other IAC agencies.

2. The AD/RH determine the necessity of maintaining the present consultant relationship between T&M Division and [REDACTED] 25X1A5a1  
If the maintenance of such relationship is considered necessary, the degree of such utilization, the need for the services of both individuals, and their maximum daily utilization should be determined.

## C. Coordination Area

### 1. General

The mission of the Area is the coordination among U. S. Departments and Agencies of the production of foreign economic intelligence, with primary emphasis on the Soviet Bloc; the coordination of the National Intelligence Survey Program; and the analysis and coordination of intelligence in support of the Economic Defense Program. A formal statement of the Area's mission and functions is to be found in Enclosure No. 13.

There are three components of the Area: The Basic Intelligence and the Economic Defense Divisions, and the Economic Intelligence Committee (EIC) Secretariat. The EIC which the Secretariat serves is composed of representatives of the IAC agencies, with non-IAC representation on an associate member basis. The AD/ER chairs the EIC while the Chief of the Coordination Area both heads the Secretariat and is Vice Chairman of the EIC, as well as being the CIA representative on the Executive Committee of the Economic Defense Advisory Committee (EDAC).

25X1A1a The personnel strength of the Area is [redacted] professional and [redacted] clerical). The FY 1954 budget is [redacted]. Information about production is presented in the sections describing its components as are those factors affecting the operation of the Area.

### 2. Area Components

#### 1. Basic Intelligence Division

25X1A1a The Division is responsible for administering the National Intelligence Survey (NIS) Program as prescribed by National Security Council Intelligence Directive No. 3 of 13 January 1948. The personnel strength is [redacted] professional and [redacted] clerical). The FY 1954 budget is [redacted], which includes [redacted] for contractual services rendered by the Departments of State, Agriculture and Interior (see "Estimated Current Cost" table below).

25X1A1a The unit of production of the Division is a Section of the Chapters of the NIS. The complete NIS consists of nine Chapters divided into a maximum of eighty-four Sections. However, a complete NIS usually contains considerably less than the maximum number of Sections for the reason that most areas do not require reporting on all subjects. The vital component in the NIS production activity is the NIS Board of which the Chief of the Division is the chairman. The other

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permanent members of the Board are representatives of the Department of State, Army, Navy and Air Force, plus an advisor from the Joint Staff. The members of the Board are, in their own agencies, the coordinators for the preparation and submission of material to the NIS.

Enclosure No. 14 depicts NIS Committee activities and Enclosure No. 15 shows the degree of completion of the NIS Program. During FY 1953 production was 557 Sections; FY 1954 plans call for the completion of 542 Sections. It is estimated that completion of all the NIS Chapters will require five years more.

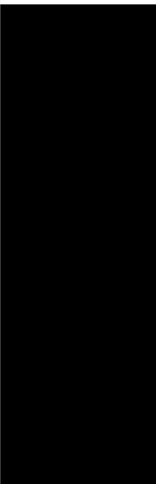

The Division has three branches: Editorial, Publication and Regional Review. The functions of the first two are indicated by their titles. The Regional Review Branch is responsible for reviewing and analyzing production and maintenance on a regional basis. There has been continuing trouble in obtaining qualified personnel for this Branch due both to the requirements of the work and the lack of high enough grade slots to attract or hold suitable persons. Coverage is below minimum. That is, no one is covering Latin America, one person covers both Eastern Europe and the USSR and there is only one person for all Far Eastern matters.

In January 1954 a questionnaire seeking information on the value and use of the NIS was sent to IAC and non-IAC users. The replies received (summarized in Enclosure No. 16 which lists the questions asked) showed that recipients who are in a producer/consumer position found the NIS less useful than those who are primarily consumers, e. g., the commands of the Armed Services.

Within CIA it is generally felt that the National Intelligence Surveys are not sufficiently current to serve other than as an encyclopaedic reference. The Office of Training uses the NIS also as an illustration of how intelligence data is compiled. Doubt was expressed in CIA that the whole concept of the NIS Program is sound. That is, that the task may be an impossible one. Other views were that the NIS might be abbreviated. The committee of consultants who recently made an examination of and recommendations regarding the work of ORR said the following: "We strongly recommend that the occasion of the transfer of the responsibility of sections of the NIS to ORR be made the occasion for a thorough review of the highest level of the form and the content of the National Intelligence Survey Program." As from 1 July 1954 ORR is to produce the economic material presently prepared for the NIS by State Department.

Although it is impossible to give a precise figure as the over-all cost of the NIS Program, the following table provides an estimate:

Estimated Current Annual Cost of NIS Program

<u>Office</u>	<u>Estimated Number of Personnel</u> 25X1A1a	<u>Estimated Cost</u>	
State			25X1A1a
Army			
Navy			
Air Force			
Agriculture			
Interior			
*BOH			
CIA:			
D/E/RR			
D/CG			
OSO			
OSI			
GPO			
OCD			
OSO			

\*Board on Geographic Names

The number of personnel shown in the three Defense Departments reflects those who spend any significant part of their time on NIS work; the other personnel figures are a reasonably accurate reflection of full-time NIS work.

ii. Economic Defense Division

The Division is responsible for providing economic intelligence regarding the Soviet Bloc and its relations with other countries as needed for policy decisions and operating programs by agencies of the United States Government charged the administration of economic defense legislation. The personnel strength is [redacted] professionals and [redacted] clerical). The FY 1954 budget is [redacted] 25X1A1a

25X1A1a

25X1A1a

The Division is composed of a Support Staff, a Strategic Controls Support Branch and a Strategic Trade Branch. The main functions of the Support Staff are to assist in the intelligence production effort of the two Branches and act as the secretariat of the Intelligence Working Group (IWG). The Working Group is composed of IAC members and others concerned with economic intelligence. The IWG was established by the DCI in July 1952 for the purpose of developing and furnishing intelligence to the Economic Defense Advisory Committee (EDAC) for policy making and operations in the economic defense field.

The Strategic Controls Support Branch provides the agencies of the U. S. Government with intelligence for the development and application of export controls and analyzes international negotiations on economic defense programs and controls.

The Strategic Trade Branch meets the Division's responsibilities in carrying out the United States economic defense policy (NSC 152/2) and examines Soviet Bloc intelligence materials for indications of USSR clandestine efforts to evade free-world economic defense measures.

The Chief of the Economic Defense Division is (a) alternate to the Assistant Director/RR on the Economic Defense Advisory Committee (EDAC), (b) representative on the Advisory Committee on Export Policy (ACEP), (c) alternate to the Coordination Area Chief on the EDAC Executive Committee (EDAC/EC) and (d) is chairman of the IWG.

The Division also has a permanent representative on the Joint Committee on Export Control Levels, Commerce Department's Operating Committee, the Cargo Transport Controls Working Group and the Transit Trade Working Group of EDAC. Representation to extra-Agency groups on a non-continuing basis also is provided by the Division. Attached as Enclosure No. 17 is a chart entitled "IWG Intelligence Support to the Economic Defense Program" which portrays the Division's above-outlined support participation.

Viewing the Division as a whole its production is of five kinds: (1) formal work for the IWG, (2) miscellaneous studies not processed through IWG, (3) East-West trade transactions case work, (4) informal support to other components of ORR and CIA, and (5) informal support to other agencies, particularly through membership in inter-agency committees and working groups.

Evaluation of the Division's reorganization in mid-1953 was made by ORR of the Division's production during the last half of 1953. It was found (1) that with no increase in personnel the Division had increased its output considerably and was generally satisfying the requirements of the economic defense community both for commodity studies and for information of use in enforcing trade controls; (2) that the Division's efforts have become more selective and more sharply focused on projects of real use to the policy and action people; and (3) that the IWG has improved as an instrument for providing coordinated intelligence.

There was found a gap between the fields of responsibility (Missions and Functions) of the Economic Defense Division of the Coordination Area and the Services Division of the Economic Area, there being no provision within ORR for the summary analysis of intelligence on unrecorded East-West trade transactions other than individual trade transactions representing diversions or suspected diversions of controlled strategic commodities to the Soviet Bloc. Consequently, a

fruitful source of Soviet Bloc intelligence was not being adequately exploited and the needs of the economic defense agencies are insufficiently supported. Action designed to correct this was recently taken (see Enclosure No. 12).

#### Recommendation

That the economic defense aspect of East-West trade be reviewed at the Office level to ensure adequate coverage.

#### iii. Economic Intelligence Committee Secretariat

The Secretariat is responsible for providing the continuing staff support required by the EIC. It consists of an Executive Secretary, a Principal Staff Economist, a Survey Assistant, a Junior Economist and three clerical personnel. The Secretariat has grown from an Executive Secretary and one clerk, the growth having been commensurate with the development of the EIC. The present Secretariat is adequate personnel-wise and the only contemplated change is the advancement in grade of some individuals and the addition of a secretary.

Enclosure No. 18 provides an organizational chart of the EIC from which it will be noted that the Committee work is achieved through sub-committees and ad hoc Working Groups. The Assistant Director, ORR, is Chairman of the EIC. The budget of the Secretariat for FY 1954 is [REDACTED]

25X1A1a

In addition to the usual duties of a secretariat, the EIC Secretariat: (1) reviews reports and studies prepared by sub-committees and Working Groups prior to their presentation to the main committee of the EIC; and (2) surveys location and responsibilities of the professional personnel engaged in foreign economic research throughout the government; and (3) prepares listings of economic research studies underway throughout the government and under government contract in non-governmental institutions.

#### Recommendations

None.

D. Geographic Area

1. General

The mission of the Area is the production and coordination of geographic intelligence on all areas outside the United States. A formal statement of the Area's mission and functions is to be found in Enclosure No. 19.

25X1A1a

Personnel strength is [REDACTED] (clerical).  
The FY 1954 budget is [REDACTED]

25X1A1a

Four Divisions comprise the Area: Geography, Cartography, Map Library and Photo-Intelligence. Generally the Area was not affected by the recent OIA reorganizational changes. Three of the Divisions had their origin in OSS; the fourth, Photo-Intelligence, was established in mid-1953.

The Geographic Area is a fruitful producer. Consumers inside and outside the Agency have expressed satisfaction.

2. The Divisions

i. Geography Division

This Division formulates, recommends and prepares research programs and finished geographic intelligence, and produces "Map Intelligence Review." Personnel strength is [REDACTED] (professional and four clerical). The FY 1954 budget is [REDACTED]

25X1A1a

25X1A1a

There are six Branches: Satellites, Near-East Africa, Far East, Western Europe, Western Hemisphere, and USSR. The missions and functions of the six in support of the Division are identical.

Half of the Division's time is devoted to producing written reports; the other half to non-report-producing activities of a support nature. Of its total time spent, 25 percent is in support of DE/P. National Intelligence Survey (NIS) work accounts for 13 percent of the Division's effort and seven percent is for IAC support. The Division also participates in the [REDACTED]. It averages about 100 production or support requests at any given time.

25X1X7

The loss of three Geographic Attache posts in the Foreign Service, mentioned under the Map Library Division section, is having an adverse effect on the operations of the Geographic Division. The Attaches represented the best source of information on mapping capabilities of foreign countries; they were also good producers of certain raw material needed in project preparation by this Division.

The problem of keeping technically trained people current in their field of activity and familiar with the locale of their responsibility was emphasized by the Division's geographers.

#### Recommendation

1. That, to the extent possible, rotation assignments overseas be used to increase the efficiency of geographers.

#### ii. Cartography Division

The Division is concerned with the development and coordination of basic cartographic policies and with providing maps and graphic support. Personnel strength is [REDACTED] 25X1A1a (clerical). The FY 1954 budget is [REDACTED] 25X1A1a

The Division is composed of six Branches, three of them being geographic compilation units, Europe-Africa, USSR-Satellites, and Far East; there is a Special Support Branch, providing complete cartographic and supplementary graphic support to the Agency's Special Center; a Development and Construction Branch; and a Graphics Branch. This survey has confined itself to the three geographical and the Development and Construction Branches. The Special Support and Graphics Branches have been excluded from this survey but will be included in an Agency-wide functional survey on the use and organizational location of graphic facilities.

The map work of the Division is 27 percent for ORR units, 22 percent for State/NIS, 14 percent for OGI, 14 percent for DD/P, and the remaining 23 percent for miscellaneous units. About three-quarters of all special charts of a statistical-cartographic nature are for ORR. The Division also processes NIS-prepared maps - 277 during FY 1953.

In accomplishing its mission, the Division has put emphasis on the hiring of cartographers with a geographic academic background, in lieu of the more commonly available cartographer with an engineering background. This has insured the production of maps of a more substantive geographic nature.

#### Recommendation

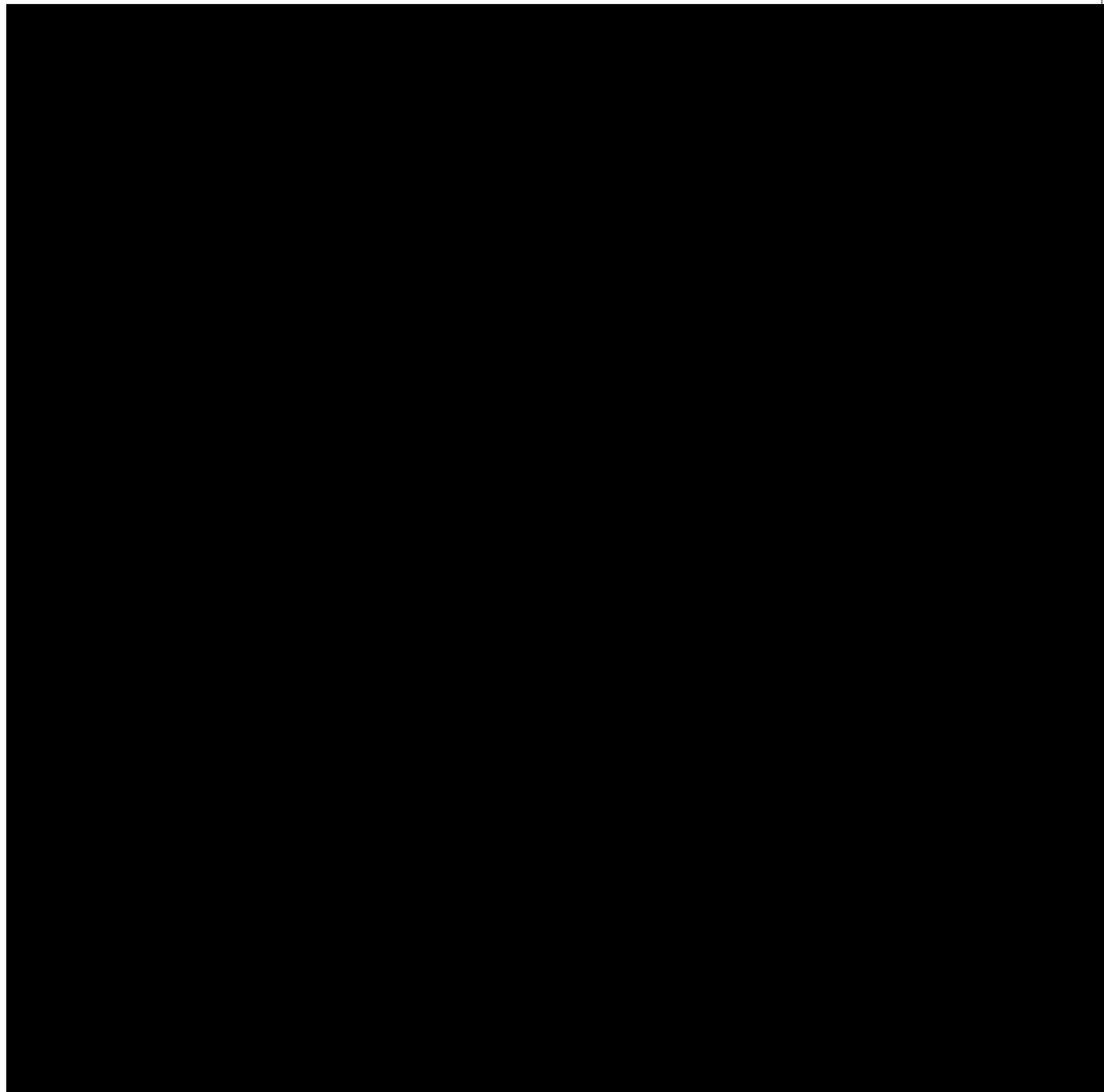
None.

#### iii. Map Library Division

This Division is responsible for maintaining as a matter of common concern a comprehensive library of map reference materials and for providing staff support for the Inter-Agency Map Procurement Program. Personnel strength is [REDACTED] 25X1A1a. The FY 1954 budget is [REDACTED]

25X1A1a

25X1X2



of operations.

25X1A6a

The Map Library Division has been located, since 1945, in the [REDACTED] The space is ample, quantitatively, for the map collection for the foreseeable future. As a working map library, however, the building is grossly ill-lighted and ill-ventilated, and the only office space available is of a make-shift and inefficient type.

## SECRET

Recommendation

1. That the lighting and ventilating facilities of the Division's quarters be improved.

iv. Photo-Intelligence Division

This Division is responsible both for producing photographic intelligence reports and for giving training in the subject. Personnel professional strength is ■ (no clerical). The FY 1954 budget is ■.

25X1A1a

25X1A1a

It is a new organization since mid-1953 and still is in the process of staffing its initial T/O. There are two branches: Industrial and Geographic. Of work produced, some 60 percent has been in support of ID/P. As for its training function, the Division gives a 20-hour course for the analysts and functional specialists in ORR. Both OSI and OGI have evidenced interest in enrolling certain of their people. Lectures are given to the Basic Intelligence Course (Clandestine Services, Phase III, and Intelligence) and the Orientation Training Courses. In all, instruction activities account for more than 20 percent of the Division's work.

The three general objectives of the Division are to provide training; to give direct support to Agency operations and projects, i. e., extract intelligence from photography; and to provide collection objectives and guidance on behalf of CIA. (Liaison with and participation in the work of Armed Forces entities have not been worked out).

Conclusion

The Division is still in the development stage and, as its mission and functions indicate extensive responsibilities beyond the confines of ORR, it is uncertain whether it should be located in that Office.

Recommendation

That the Management Improvement Staff undertake a detailed study of the responsibilities assigned to and the services rendered by the Photo-Intelligence Division, leading to a recommendation as to whether these responsibilities, in whole or in part, should be transferred to another component of the Agency.